

OPTIMISM IN LONDON SUFFERS A SETBACK

Discounts Harden and Stock
Market Prices React, Though
to No Serious Degree.

QUIET BUYING IN EVIDENCE

Arrangements Virtually Com-
pleted for Loan of \$140,000,-
000 to Turkey—Other Late
Belligerents Must Wait.

(By Cable to The Tribune.)

London, Sept. 28.—The change that came over the condition of the money market, with the likelihood of continued narrowness through the remainder of the year, was shown in these dispatches a week ago. It now seems to be the accepted fact on all sides that money will not become easy or plentiful until after the first of the year at the earliest.

This, of course, has an effect on both discounts and the stock market. Discounts hardened, while the stock market experienced some reaction in prices from the previous optimistic tendency. This reaction, however, is not really serious, and the belief is firmly held that a permanent advance will not be very long delayed.

Meanwhile there is a great deal of quiet but steady buying, in the expectation of next year's markets. A certain indication that in the great centers the reasons for locking up money are considered to be past is the fact that arrangements for a loan of \$140,000,000 to Turkey by France is now practically completed. The other late belligerents will have to wait a little longer on account of the settlement of their internal affairs under the new order of things in the Balkans and until it seems assured that they will not be put to further extraordinary expenditures for the pacification of Albania.

Under normal conditions Greece will probably follow Turkey in obtaining a loan. But the fact of main importance at present is that even though the strain of unusual events be relieved and the money markets are getting a chance to return to normal conditions, allowing trade and commerce to resume their customary tranquillity, other conditions have intervened, and ease will probably not prevail again in money affairs before the beginning of the new year.

In fact, the question is now whether the Bank of England will be compelled to raise its rate very soon. This, of course, means that the improvement in the stock markets will be slow and gradual, with temporary setbacks whenever there is a little extra stringency of money, though at the same time there is no reason why there should not be a steadily increasing optimistic feeling.

The bank last week sold \$6,630,000 of gold, reducing the stock to \$203,410,000, while the reserve declined \$6,415,000 to \$142,360,000. The proportion of the reserve to liabilities has fallen to 58.34. Call money on Saturday was at 3 1/2 per cent, with loans for the week at the same rate, while sixty-day bills hardened to 5 1/2 per cent, three-months' bills to 4 1/2, four-months' bills to 4 1/2 and six-months' bills to 4 1/2 per cent.

PARIS BOURSE HEAVY

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Paris, Sept. 28.—The Bourse was exceedingly heavy and pessimistic all last week. Capital continues to hold aloof, being alarmed by the threatening situation in the Balkans. French rentes were 90 centimes lower on the week, and all government bonds were weak and stagnant, the unsettled sentiment being enhanced by the fear of dear money and the uncertainty which still prevails on the subject of French taxation methods to raise the funds needed for the increase in the military strength of the country.

SCHOONER SUNK; CREW SAVED.

The steamer Shawmut, of the Southern Steamship Company, yesterday collided with and sank the schooner T. Morris Perot ten miles southwest of the Fenwick Island (Md.) lightship. The crew of the Perot was saved. The Shawmut was not damaged.

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Marconi	24 1/2	24 1/4	24 1/4
May's Oil	24 1/2	24 1/4	24 1/4
National Sugar	24 1/2	24 1/4	24 1/4
U. S. Light & Heat	24 1/2	24 1/4	24 1/4
U. S. Steel	24 1/2	24 1/4	24 1/4
Western Union	24 1/2	24 1/4	24 1/4

BONDS AND NOTES.

Stock	High	Low	Last
Atlanta	15 1/2	15 1/4	15 1/4
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Memphis	15 1/2	15 1/4	15 1/4
Minneapolis	15 1/2	15 1/4	15 1/4
San Francisco	15 1/2	15 1/4	15 1/4
St. Louis	15 1/2	15 1/4	15 1/4
Wash. Post	15 1/2	15 1/4	15 1/4

SUSTAINED PROGRESS

Improvement Not Uniform, but
Better in Some Branches.

In its summing up for the week Dun's Review says:

"Sustained progress along conservative lines is the keynote of advances from the leading mercantile centers. Improvement is not wholly uniform, and some sections and branches of trade reflect better conditions than others. In the aggregate, however, the volume of current transactions continues large, and though hesitancy is still shown in entering upon future commitments, the feeling of caution is less manifest than heretofore. Unseasonably low temperatures in some parts of the country have led to further claims of crop damage, but distribution of merchandise at retail has been benefited and the wholesale movement is gradually expanding. Well maintained activity is apparent in all departments of the dry goods markets, with jobbers busily engaged supplying customers' needs, and additional price advances are announced from time to time. The cotton goods mills have enough work on hand to keep them occupied for the next three months, but men's wear orders for spring have not come up to expectations, and about 50 per cent of the machinery is employed. There have been several large sized transactions in wool, both of domestic and foreign grades, although manufacturers are not stocking up to any great extent. More disposition to provide for forward requirements is shown by buyers of leather, and values are firmly held on all desirable offerings. Footwear factories are still in need of new business, and while contracts calling for prompt delivery are increasing there is a continued reluctance in anticipating future wants. Predictions that a freer buying movement would develop in iron and steel this month have not been fulfilled, yet it is significant that the reported slowing down of demand in some finished lines has brought a relatively slight decline in quotations. The steel bar mills have much work ahead, while consumption of pig iron is well sustained, and more interest is shown in next year's requirements. Concessions in the price of copper followed the sharp break in the London market, where speculation has been active, but the metal is in a strong statistical position and a further shrinkage in surplus stocks is expected. Diminishing idle freight cars reflect a seasonable expansion in railway traffic, the movement of grain being particularly heavy. Net gross earnings for the first two weeks of September were only one-tenth of 1 per cent larger than last year, although showing a gain of 5 per cent as compared with 1911. Bank clearings continue smaller than a year ago, owing in part to reduced speculative operations, the loss this week being 65 per cent, whereas there was an increase of 1.5 per cent over 1911. An easier tendency in domestic money rates contrasts with the firmness prevailing abroad, where there is an urgent demand for gold in preparation for the onerous quarterly settlements.

With railroad buying still held in abeyance, generally quiet conditions exist in finished lines of iron and steel. Not all discounts reflect the same degree of dulness, and steel bars are a notable exception, with a broad sense continued inactivity prevailing. Thus far the transportation companies have not entered the market for needed equipment to any extent, although it is expected that the first

large rail contract for 1914 will soon be placed."

Bradstreet's comments are as follows: "Distributive trade has held the center of the stage this week, and in this line dry goods, clothing and wearing apparel generally have been most active, both at wholesale and retail. Trade tendencies in general, however, are onward, and though there are enough exceptions to prevent uniformity, business affairs show further improvement. This manifestation may properly be correlated to the fact that stocks everywhere are in the light, that rains in the Southwest have superinduced a better feeling there, that colder weather over a wide area in the fore part of the week furnished a reminder that heavy goods were needed, besides affording a stimulus to retail trade, and that the crop movement has enlarged, with farm produce prices especially remunerative, this latter feature being reflected in somewhat improved collections. Most reports indicate that trade is better than it was at this time last year. Moreover, money appears to be a little easier, and although credits are being closely watched, mercantile borrowers are more readily accommodated. Exports of grain are heavy from both coasts, and the Orient's demand for flour is of considerable volume. Evidently consumption of steel products is large, and for that reason prices on finished goods reflect but relatively small concessions. Consumers of pig iron continue to cover requirements likely to ensue during the first part of 1914, and while buying is not heavy, prices are well maintained. Machinery markets reflect irregular conditions, some reporting improvement, with others showing quietness. Trade in coal is improving, and the price level is firm. In fact, some markets report a scarcity of bituminous grades for prompt delivery. Copper is dull; consumers display little interest in the market, but prices, aside from the offerings of a few producers at slight concessions, are firm. Railroad traffic in the Middle West is heavy, but west of the Missouri River it shows a loss, and expectations suggest a further reduction. Stock market operations continue dull, with price movements generally reflecting reactionary trends, though exceptions are noted where, as in Union Pacific, short covering has been forced. Commodity markets reflect easing, due to enlarged new spring wheat and other cereal movement, but high prices of the year for cotton, reports from which do not improve, though it might be pointed out that the movement is still in excess of any preceding year, for which, however, the high prices may be partly responsible.

In the East pre-eminent features comprehend activity in dry goods, inability to make prompt deliveries, firm prices in consonance with the cost of raw cotton, more or less scarcity at mill centers of efficient help and little talk of tariff changes. Western reports are of sustained activity, improved retail trade, thanks to cold weather; expressions of optimism regarding the future and satisfactory reports as to the prospective buying power of farmers. In the Southwest, however, improved fall pastures, and made for increased winter wheat acreage, and, on the other, stimulated trade in most quarters. Throughout the Northwest activity continues, and though retail trade has been hampered by chilly, damp weather, merchants' campaigns to increase sales have to some extent negated the effects of meteorological influences. Southern reports exhibit improvement, some in the cotton trade, others in profitable prices for cotton, which make for optimism in the country districts. In the Pacific Northwest trade is quiet, with factory output in lumber, which in industry stocks are heavy, and curtailment of mill outputs is spreading."

WEEKLY TABLE OF BONDS.

Sales.	Bonds.	High	Low	Fin. Sept	Net change
1000	U. S. 4 1/2 convt 1918	102 1/2	102 1/4	102 1/2	+
1000	U. S. 4 1/2 convt 1920	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1922	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1924	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1926	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1928	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1930	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1932	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1934	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1936	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1938	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1940	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1942	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1944	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1946	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1948	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1950	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1952	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1954	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1956	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1958	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1960	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1962	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1964	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1966	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1968	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1970	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1972	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1974	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1976	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1978	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1980	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1982	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1984	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1986	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1988	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1990	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1992	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1994	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1996	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 1998	96 1/2	96 1/4	96 1/2	+
1000	U. S. 4 1/2 convt 2000	96 1/2	96 1/4	96 1/2	+

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Policy of Wilson Administration
Regarded as at Least a
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Recent Disorders Blamed

Consul General at Hong Kong
Tells of Effect of Internal
Troubles on Principal
American Imports.

(From The Tribune Bureau.)

Washington, Sept. 28.—The demoralization of American trade in China since the adoption of the policy of the Wilson administration with respect to the railway loans and, indirectly, the "open door" is reflected in the first official report of George E. Anderson, Consul General at Hong Kong.

Mr. Anderson attributes the falling off in American trade to the internal disorders of the new republic, but administration critics regard the Chinese policy of the President and Mr. Bryan as at least a contributing cause. Apparent discrimination against the United States or the failure of American concerns to advance commercially, Mr. Anderson says, is due to the "recent disorders," but the fact is unquestioned that American business has not prospered in China, whether or not it has been due to internal turbulence or the lack of sympathetic support from the State Department.

"While," Mr. Anderson says, "it is impracticable to attempt to measure accurately the full effect of recent disorders in China generally upon the import and export trade of South China, some definite results have already become apparent. The general effect of the disorders may be had. In general, export trade, though temporarily affected, will probably recover and will reach normal volume. Import trade, however, is being affected by general unfavorable conditions growing out of the disorders, even when not directly involved in them. These are chiefly the depreciation of local Chinese currency and the restriction of credits. Both of these unfavorable elements directly affect American trade in cotton goods, kerosene and other articles, which are the principal items in the export trade of the United States to South China."

Flour Situation Bad.

Reporting on importations of flour and its relation to the trade conditions, Mr. Anderson makes these observations:

"In imports of American flour the situation is causing considerable anxiety. For some time previous to the close of the last season deliveries were slow and a considerable quantity of flour was accumulated in the stock on hand. Since that time, however, the situation has been materially decreased, even if normal conditions can be restored at once, which is unlikely. "Aside from the difficulty of moving flour into the interior during times of strife, the monetary situation is the controlling factor in the situation. At the height of the disorders in Kwangtung Province in the last few weeks the value of the paper currency of the province fell as low as 50 per cent of its face value in silver. With a standard grade of American flour at \$2.50 local currency in Hong Kong, or, say, \$2.40 in Canton, the cost of this flour in Canton paper currency—the only sort available in such a contingency and the variety in which most payments were made—was \$1.90, which, of course, was absolutely prohibitive. The paper currency has now risen in value to 77 per cent, but the present cost of flour in such currency is still prohibitive."

Cotton Goods and Kerosene.

Mr. Anderson says about the cotton goods and kerosene trade in China and other phases of the situation:

"The situation in cotton goods and kerosene is affected in the same way, but also is affected seriously as to the future by the restriction of credits. Cotton goods are sold in South China as a rule upon longer credits than those granted in any other line of commodities. The outbreak of disorders, therefore, not only prevents the delivery of goods by junk or other usual means of transportation, but also makes it unwise, if not impossible, to sell goods in such lines is therefore completely crippled by any outbreak like that experienced in South China in the last few weeks.

REGARDING THE FUTURE.

In the issue of "The Bache Review" of Saturday, September 27, is the following:

"This possibility of bad effects from the tariff in the longer future is one of the arguments put forward by those who are bullish on the present situation (and it must be said that there are many, especially in the professional class, who are so)."

"Further arguments are that the absorption of our securities abroad, which has continued, off and on, for many years, has been arrested not by reason of such incidents as the St. Louis and San Francisco, but because European securities, however cheap ours may be, are still cheaper. The government securities of the smaller countries there are selling at record low prices, which makes the yield on them as high as 10 per cent per annum. These are perfectly good investments. This same is true as to prices and yields of some European industrials."

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